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For Immediate Release:

**San Bruno Asks Federal Prosecutors to Impose
Independent Monitor to Oversee PG&E, CPUC and a
Pipeline Safety Trust to Assure Compliance,
Transparency for Public Safety**

*Obstruction of Justice Charges Come on Top of San Bruno's Disclosure of
Illegal, Cozy Relationship between CPUC, PG&E in Private Emails*

San Francisco, Calif. – San Bruno City Officials today said they have asked federal prosecutors to require an independent monitor as part of the penalty against Pacific Gas & Electric Co. to ensure both the company and the California Public Utilities Commission operate in an open, transparent manner to protect the public from gas pipeline explosions like the one caused by PG&E on Sept. 9, 2010.

In an Aug. 11 letter to U.S. Attorney Melinda Haag, City officials also asked that portion of the fines imposed by the criminal indictment against PG&E be used to establish a California-based Pipeline Safety Trust. This organization would ensure that when regulatory oversight is inadequate, public safety and health is represented by a well-funded and credible pipeline safety organization.

“We have asked the U.S. Attorney’s Office to appoint an independent monitor to oversee PG&E and the CPUC and a Pipeline Safety Trust to safeguard the public’s health and safety as part of any penalties and fines the court finds the company

liable for as a result of its gross negligence that took the lives of eight of our residents and injured scores more,” said San Bruno Mayor Jim Ruane.

“It is clear to everyone that the CPUC and PG&E have corrupted the system of fair and honest regulation,” Ruane said. “If Gov. Brown continues to support CPUC President Peevey--despite overwhelming evidence of his illegal actions--then perhaps the Federal Government will step in and impose order, honesty and an independent monitor and Pipeline Safety Trust to ensure public safety.”

“Multiple investigations found PG&E’s tragic explosion to be entirely man-made and the result of its willful decision to divert pipeline safety funds and use them for executive compensation and shareholder returns for many decades,” he said.

“These new criminal charges, combined with the fact that senior PG&E executives were exposed for illegal contact with the California Public Utilities Commission, should lead PG&E executives to take a hard look at themselves and the company’s culture and operation.”

A federal grand jury indicted Pacific Gas and Electric Co. on July 29, 2014, on a total of 28 counts stemming from the San Bruno natural-gas explosion, including a charge that the company lied when it denied it had an official policy of ignoring federal law requiring pipeline inspections.

The indictment, which replaces one that the same grand jury issued in April, vastly increases the financial penalty the company could face in connection with the September 2010 blast that killed eight people and destroyed 38 homes.

The company was originally charged with a dozen violations of the federal Pipeline Safety Act, punishable by a total of \$6 million in fines. Today’s superseding indictment charges them with fines of as much as \$1.3 billion, based on its profit associated with the alleged criminal conduct. That would be on top of \$2.5 billion San Bruno has demanded in possible penalties from PG&E shareholders by the California Public Utilities Commission.

In all, PG&E is now accused of one count of obstruction of justice, for allegedly lying to National Transportation Safety Board investigators after the blast, and 27 counts of violating the Pipeline Safety Act.

These new charges come on top of San Bruno's recent release of 7,000 pages of private emails between PG&E executives and CPUC President Peevey and senior CPUC staff, proving that an illegal and undue influence exists between the regulator and the utility company.

Mayor Ruane today commended the charges, saying "the new criminal charges demonstrate a pattern of deceit by PG&E. The indictment shows federal prosecutors are taking the strongest steps to ensure PG&E is brought to justice based on the evidence of criminal actions and gross negligence," he said.

Ruane and San Bruno officials renewed their call for the CPUC to fine PG&E the maximum amount allowable by law of \$2.45 billion in after tax dollars of shareholder funds, the removal of CPUC President Michael Peevey, the appointment of an Independent Monitor and the creation of a Pipeline Safety Trust to end the cozy relationship between the company and the regulatory agency.

"We have no faith in the CPUC to ensure safety improvements will be made. An Independent Monitor is critical to ensure public safety and restore public confidence in both the CPUC and PG&E," Ruane added. "If we don't get an independent monitor from the CPUC, we hope that the Federal Government will require it as well."

Similarly, the California-based Pipeline Safety Trust would provide an added layer of oversight and would work to strengthen regulation and build greater statewide awareness around pipeline safety issues. The state trust would supplement and expand the reach of the National Pipeline Safety Trust, which was established in 2003.

“We commend the work of the U.S. Attorney’s office and the state and local task force for its diligent investigation that resulted in these superseding criminal charges against PG&E,” he said. “We are hopeful that the end result is a safer pipeline system so that what happened in San Bruno never happens again, anywhere.”